

BALL JANIK LLP

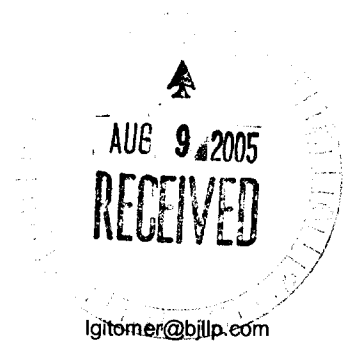
A T T O R N E Y S

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August 9, 2005

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO. 25764 FILED

AUG 09 '05

2-37 PM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Railroad Equipment Lease Agreement, a primary document, dated as of July 19, 2005. We request that this document be given the next available Recordation Number.

The names and addresses of the parties to the Memorandum of Railroad Equipment Lease Agreement are:

Lessor:

The David J. Joseph Company
300 Pike Street
Cincinnati, OH 45202-4214

Lessee:

Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402

A description of the equipment covered by the Memorandum of Railroad Equipment Lease Agreement consists of 240 rapid discharge rail cars numbered JTSX 900972-901211, inclusive.

BALL JANIK LLP

Honorable Vernon A. Williams

August 9, 2005

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A fee of \$ 33.00 is enclosed. Please return the original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Memorandum of Railroad Equipment Lease Agreement between The David J. Joseph Company, 300 Pike Street, Cincinnati, OH 45202-4214, and Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402, covering 240 rapid discharge rail cars numbered JTSX 900972-901211, inclusive.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'L. Gitomer', with a large, sweeping flourish extending to the left.

Louis E. Gitomer

Enclosures

AUG 09 '05

2-37 PM

MEMORANDUM OF
RAILROAD EQUIPMENT LEASE AGREEMENT SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF RAILROAD EQUIPMENT LEASE ("Memorandum of Lease") entered into this 19th day of July, 2005, is intended to evidence the lease dated as of July 19, 2005 (the "Lease"), between **THE DAVID J. JOSEPH COMPANY**, a Delaware corporation ("Lessor"), and **TENNESSEE VALLEY AUTHORITY**, a corporation organized and existing under an Act of Congress ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 49 of U.S.C. 11301. Lessee has the right to use the two hundred forty (240) railcars described in Exhibit A attached hereto (the "Units"). Lessee is renting from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

THE DAVID J. JOSEPH COMPANY

TENNESSEE VALLEY AUTHORITY

By: Jere R McIntyre
Name: Jere R. McIntyre
Title: VP-Treasurer
Date: 7-19-05

By: Connie S. Baranway
Name: Connie S. Baranway
Title: Railcar Contract Specialist
Date: 7-21-05

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this 19th day of July, 2005, by
James McIntyre, the VP-Treasurer of The David J. Joseph Company, a
Delaware corporation, on behalf of the corporation.

Angela D. Watts
Notary Public

My Commission expires:

ANGELA DENISE WATTS
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date Section 147.03 O.R.C.

STATE OF Tennessee)
) SS:
COUNTY OF Hamilton)

The foregoing instrument was acknowledged before me this 21st day of July, 2005, by
Connie S. Gazaray, the Railcar Contract Spec. of Tennessee Valley Authority, a corporation
organized and existing under an Act of Congress, on behalf of the corporation.

Cherry P. Griffith
Notary Public

My Commission expires:

Oct. 17, 2007

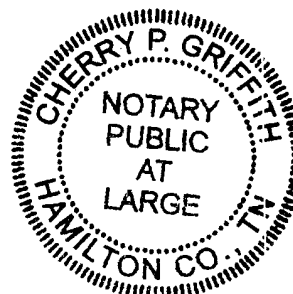


EXHIBIT A

To the Memorandum of Lease dated July 19, 2005, between The David J. Joseph Company and Tennessee Valley Authority.


DESCRIPTION OF UNITS

Two hundred forty (240) railcars bearing reporting marks as follows:

JTSX 900972 – JTSX 901211, inclusive.

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Memorandum of Railroad Equipment Lease Agreement dated as of July 19, 2005, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
August 9, 2005